



# **Manufacturer of the Year Summit & Awards Luncheon**

Wednesday, May 5, 2010

Remarks by Gov. Jan Brewer

Thank you very much.

It is wonderful to be with you this morning, and thank you, Mark, for both the invitation and introduction.

I noticed that the Manufacturer of the Year Award Recipients have a few things in common.

I know you will hear more today about the Manufacturer of the Year -- Frito-Lay North America -- and our Outstanding Small-/Medium Manufacturer, ATSCO Remanufacturing Inc.

For now, though, let me say that both are pushing the edge of innovation despite the tough economy.

They were both willing to make the hard decisions to successfully position themselves for not only the short-term but, more importantly, for the long-term.

This is something I particularly admire because when I took over as Governor, we had to deal with the consequences of five high-rolling years before I took office, when the system grew government as large as possible.

I faced a state budget deficit of nearly five billion dollars across two fiscal years -- and a federal government whose unfunded mandates and sweetheart deals were stealing Arizona's freedom and threatening to bankrupt our state.

But, we have now permanently reduced state spending by over two billion dollars and returned state government to a size it can afford -- one that is stable, predictable, and reliable.

We've streamlined agencies, shrinking the State work force by over ten percent since I took office – and by 20 percent since the peak in 2008.

We've attracted well over one billion dollars in capital – twenty-five new companies or expansion projects -- yielding quality growth with more than twenty-four-hundred jobs.

And, I've implemented a FIVE-POINT plan that is bringing jobs to Arizona.

A necessary part of Arizona's advancement in the global economy is sustaining and further developing high-skilled, high-value jobs – such as those you are creating in our base Industries through exports and foreign direct investment.

Companies recognize the value of operating a business in Arizona, and our strategies are helping us RETAIN those businesses.

Thank you for sticking it out with us. YOU – NOT THE GOVERNMENT – are the job creators. You are the ones who are turning the economy around.

Our strategies are also helping us win NEW business and projects – especially when we're up against big check-writers -- like Texas.

So, let me tell you what I've done:

FIRST, I launched a Jobs Action Team – Commerce -- State Land -- the Departments of Environmental Quality and Revenue – are all working together to cut through red tape – and green tape -- and speed what has been a slow government process. We can't afford to have jobs languish — or worse, perish — because they got caught up in an endless permitting pipeline.

SECOND, we are re-thinking areas of our tax structure that unduly burden our employers, particularly those who require large capital investments, such as manufacturing.

So, let me say I know you are disappointed with the outcome of the jobs bill. I, too, am disappointed that accommodation could not be reached. But, we are of like minds when it comes to a commitment to creating a reasonable package, one that includes tax reductions to foster economic development and long-term growth. With those ideals joining us, I know a plan can be crafted to create real solutions to the state's job deficit.

THIRD, I worked with Arizona's top CEOs on my Governor's Commerce Advisory Council to create a new statewide economic development delivery structure to advance Arizona's global competitiveness.

This new quasi-public state authority will be long-lasting, impactful and laser-focused to grow Arizona businesses and attract new companies to our state.

This new authority is designed to focus on Arizona's high-value industries -- renewable energy/solar, advanced manufacturing, technology, bioscience, and others -- to transcend political whims and in order to diversify the State economy for the long-term.

We will now have a comprehensive approach -- one for the 21<sup>st</sup> Century -- one yielding Focused Priorities -- Focused Investment -- and Focused Efforts.

Let me mention here that Arizona is making great strides -- especially in its approach to renewable energy -- such as solar.

Last summer, I signed legislation creating the renewable energy tax incentive program. Companies are interested -- and they are coming to Arizona.

-- Suntech Power Holdings.

-- Tower Automotive.

-- Bell Independent Power will build a five mega-watt solar plant at the University of Arizona Tech Park -- including a first of its kind thermal storage system.

These are all part of Arizona's growing solar landscape. We are on our way to becoming a solar capitol of the world.

And, the future of Arizona will require a robust manufacturing sector.

We need to have more industry leaders like Intel, Raytheon, Sumco, Goodrich that help to highlight Arizona as a source of economic power in the United States.

To be successful in recruiting top flight manufacturing jobs, Arizona must always be focused on our strength in the international arena.

The future of the Arizona economy rests heavily on our ability to become an export powerhouse.

To help with that, my first week on the job I instituted a regulatory moratorium on new regulations because, unlike the Washington, I KNOW now is not the time to put new burdens on job creators.

I have built on the success of that regulatory moratorium and partnered with the Arizona Manufacturers Council on comprehensive reform of the Arizona's regulatory system.

And, I am pleased to support H.B. 2260 sponsored by Andy Tobin which codifies the work I started.

We need to do more to protect Arizona's role as a leading provider of defense technology.

This effort starts by ensuring that Arizona becomes the next home for the F-35 strike fighter.

In addition, I am working with our congressional delegation to ensure that our military has the best available technology. Companies like Orbital Sciences, Boeing, Raytheon and Goodrich has done a great job of making the best technology. Now they deserve more support from our elected leaders.

FOURTH, we are investing in our PEOPLE to make sure they have the skills to compete in these new jobs.

I blocked further sweeps of Arizona's Job Training Fund and I am committing ten million dollars of my discretionary funding -- through the American Recovery and Reinvestment Act of 2009 -- to establish a Job Training Assistance Program.

When we get a company landed here, we get them up and operating quicker, creating jobs sooner by making sure our people are prepared with the latest skills to go to work for them.

And, the FIFTH and final point, is that I am restoring fiscal stability, starting with balancing the state budget and resolving the deficit while protecting education and public safety.

The Arizona Comeback began in earnest when I fought for – and won -- thanks to your support and the help of courageous members of both parties in the State Senate and the State House – the right of the VOTERS to decide whether to raise the state sales tax by 1 percent over the next three years.

I've NEVER voted to raise taxes in my entire career. But, I've learned one thing above all else: Doing the RIGHT thing, almost always means doing the HARD thing.

That's how I feel about Proposition 100. As hard as it is to do, I will be a "YES" vote come Election Day, May 18th.

Without the revenue that a “YES” vote will bring, we will need to cut yet another billion dollars.

Without it, K12 education funding -- already at 2006 levels -- will be set back by at least 10 years and hundreds of millions of dollars. And our universities and community colleges are facing increases of 15, 18 and 20 percent. These are setbacks Arizona simply cannot afford.

This is not a cure-all, but the tax will get us through until revenues recover, so that our schools, colleges, universities and institutions of public safety do not bear the brunt of the downturn.

As our state and nation raise standards -- so students can compete in the global marketplace -- we must also raise our expectations for ALL students – and OUR STATE.

That is why I decided that Arizona will apply for the SECOND round of the American Recovery and Reinvestment Act’s “Race to the Top” educational funding competition.

We don’t quit.

But, whether we win or not in the second round, our mission is to reinvent Arizona’s competitiveness -- at all levels -- by building on its strengths and its history of innovation.

In other words, no matter what happens ... WE WILL NOT LOSE.

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Let me say at this point that the National Association of Manufacturers is fortunate to have former Michigan Governor John Engler continuing to lead their operations with the same foresight and skill with which he guided Michigan.

It is the states’ governors who face the real challenges of promoting business and are required to overcome the actions of Washington just to keep our states competitive.

I, and many other Governors, are attempting to reduce burdens on business so we can grow our way out of the recession, Washington is acting as if the recession never happened by passing reckless new mandates that will slow growth and deepen the fiscal mess in the states.

The healthcare bill recently passed by Congress epitomizes the lack of understanding in Washington with plight of the states and business.

That is why I am joining with other states to sue the federal government to stop the unprecedented federal takeover of the health care system.

With its onerous federal mandate, Congress has exceeded its authority and left Arizona no option but to challenge its unconstitutional act in federal court.

And the total costs of their mandates will require Arizona to spend some twelve billion dollars over the next ten years to pay for their programs.

We MUST join this suit to ensure Arizona has a voice in the legal proceedings.

This is just too important for our State to sit back and do nothing.

The same is true for border security.

From my first days in office as Governor, I have been demanding that Washington fulfill its primary obligation to the citizens of our state: to secure our southern border, to enhance the rule of law, and to protect Arizonans and all Americans from violence committed by organized crime syndicates, out-of-control drug cartels, violent human smugglers, and common criminals.

Legislation I signed into law not long ago -- Senate Bill 1070 -- does not regulate differently than current federal law, nor does it pre-empt federal law in any way.

No new or additional documents are required to visit -- or work in -- Arizona.

The same documents that the federal government currently requires for legal immigrants are required under the state law.

I am deeply disappointed by some who would suggest that additional economic penalties against our state are the solution.

How could further punishing families and businesses large and small be a solution or be viewed as constructive?

I will enact this new law with the same respect, responsibility, and commitment to the protection of civil rights that I successfully enacted Arizona's law requiring voters to be citizens and to provide I.D.

Racial profiling, or any racial discrimination, is abhorrent and is specifically against the law in Arizona.

I believe every one of us wants to be safe, and I refuse to compromise on the protections of civil rights and public safety.

Now, I'm not aiming to please everyone.

I am aiming to lead this Arizona Comeback – to win the future for our children and grandchildren.

I am restoring Arizona – committed to its comeback -- based on our common values, cultivated in the soil of self-sacrifice.

We have much that joins us together – much more than the few issues over which we disagree. I am committed to working with you to rebuild our economy, to restore confidence in our state, to revive the spirit that lights our path into the future.

Abraham Lincoln said, (Quote) "The struggle of today is not altogether FOR today; it is for a vast FUTURE also. With a reliance on Providence, all the more firm and earnest, let us proceed in the great task which events have placed upon us." (Unquote)

So, let us proceed in the great task of making Arizona our **STRONG AND SHINING HOME**.

Thank you.

God bless you and your families, and may God bless this great state of Arizona.